

**INDIA'S POTENTIAL IMPORTANCE FOR VITAL U.S GEOPOLITICAL
OBJECTIVES IN ASIA: A HEDGE AGAINST A RISING CHINA?**

**Statement
of
Francine R. Frankel
Director, Center for the Advanced Study of India
University of Pennsylvania**

**Before the
International Relations Committee of the
U.S. House of Representatives
November 16, 2005**

India is so large, has such dramatically pronounced topographical features and diverse socio-cultural divisions among languages, castes, religions, and tribes, that it is difficult to comprehend holistically. To all of this has been added¹ the emergence of two economies created by economic liberalization and globalization. There is both a growing urban-rural divide of 2:1 in per capita income and a regional divide in distribution of households by income. The most populous states in the (East and North) have the greatest proportion of low income households, and are mainly excluded from the new boom economies in the larger cities and towns of the richer states of the West and South having the greatest share of upper middle and high income households.

Understandably, policymakers have long settled for generalities in talking about India as “the world’s largest democracy.” There are few qualifications that unequal regional growth is a major threat to long term political stability as well as the viability of economic reforms because of the large states and politicized populations left behind. Future prospects are further clouded by the decline of national parties, fragmentation of state-based parties, polarization between coalitions based on secular groups and those led by Hindu nationalists, and ideological divisions within the ruling coalition. The Congress-led United Progressive Alliance (UPA) which came to power in 2004 under Prime Minister Manmohan Singh is a minority government: the vote share of the Congress was less than 27 per cent; together with its pre-election allies, the Congress-led coalition reached 35 percent of the vote and 216 of 543 seats. The Left parties, reaching a new high of 60 seats, assured the Congress the majority needed to form the government by offering support from outside.

¹ Frankel R. Frankel, *India's Political Economy 1947-2004*, second edition, New Delhi: Oxford University Press, 2005, chapter Fourteen

Similarly, critical differences between India and China tend to be minimized in long-range projections about two rising powers in Asia that will transform the geo-political landscape in the 21st century. The reality at present is that power equations between the two are extremely lopsided in favor of China. China's GDP growth rate in the last 20 years averaged 9.4 percent. Its economy is the fastest growing in the world, and the seventh largest (2003). Barring unforeseen crises, it is likely to reach its goal of quadrupling GDP by 2020, pushing up GDP per capita income to over US \$3000. Moreover, this scorching pace incorporates the predominant position of industry-- automobiles, real estate, steel, cement and petrochemical products-- rising growth in the services sector (33.5 percent of GDP); and an increasing share in global merchandise trade to 5.6 percent. China is the leading force behind regional economic integration having spearheaded ASEAN plus three, China, Japan and South Korea; and has proposed the establishment of an Asian Economic Community at a summit scheduled in the near future.

India's record of about 6 percent growth over the past two decades also makes it one of the top growing economies in the world. But it relies disproportionately on IT based services. The services sector accounts for nearly 50 percent of GDP and the economy as a whole generates less than one percent of world trade (0.8 percent). The rapid annual growth in bilateral India-China trade increased over seven times from 1998, and reached \$13.6 billion in 2004, but India's share in China's imports is one percent and of China in India's imports under 5 percent. Not unexpectedly, India's exports to China are dominated by minerals and raw materials and semi-finished products while India's imports from China are mainly diversified manufactured goods—electronics and medicinal and pharmaceutical products. Even more telling, India's national income per head in 2003 was less than half that of China (\$1100 compared with \$530). While China has set its sights on becoming the equivalent of a “middle income” country in about ten years, India is expected to overtake Japan, Germany, the United Kingdom and France in the size of its economy during the next 25 to 50 years.

Those who support an Indo-US partnership are most influenced by the looming reality that US dominance in Asia is almost certainly going to be eroded by the economic, military and political rise of China by about 2020. They tend to argue that efforts to increase India's pace of growth are beneficial to US global interests in a balance of power in Asia, and as a hedge against China. One projection by the CIA's National Intelligence Council has captured the attention of key members of the Bush Administration. India, when ranked by composite measures of national power, including weighted combinations of GDP, defense spending, population and technology growth, will possess “the fourth most capable concentration of power after 2015”, following the US, European Union and China.²

India's claim to destiny as a great power, despite never being unified as a single state even during periods of great empires, rests on beliefs of its unbroken civilizational unity as the carrier of a superior ancient culture which emphasized the importance of moral leadership over territorial control. In practice, Hindu kings pursued sacral ritual incorporation of conquered local rulers and territories rather than annexation of their kingdoms to establish a centralized state. One result was that India's influence beyond the subcontinent was exercised not by war but by

² “Mapping the Global Future”, Report of the National Intelligence Council's 2020 Project, December 2004

exerting influence through a mix of Buddhist and Hindu religious ideas, cultural forms and knowledge on China and Southeast Asia. This has been called the “Indianization” of these societies, with “Extreme Indianists” (including Jawaharlal Nehru for example), referring to the states of Southeast Asia as Indian “cultural colonies.” Related to these beliefs, after India won independence from the British, was the conviction that the country’s geostrategic position and size would make it an important actor in Asia and that India would exert major influence in world affairs. “India can no longer take up an attitude other than that demanded by her geographical position, by her great potential and by the fact that she is the pivot round which the defense problems of the Middle East, the Indian Ocean and Southeast Asia revolve.”³

Certain factors are critical for understanding the many reasons why this idea of India’s global role and its claim to great power destiny was disappointed in the intervening fifty years:

- (1) Partition and the creation of Pakistan robbed India of its own geostrategic position. Overnight, India lost to Pakistan its location on the southern border of Afghanistan, its western flanks adjacent to the Persian Gulf and the Middle East, and its eastern boundaries abutting Southeast Asia, becoming immediately involved in the draining and still unresolved conflict over Kashmir;
- (2) During the Cold War, the United States, suspicious of India’s non-aligned policy, found in Pakistan’s offer of a military alliance the prospect of a foothold in the strategic area adjacent to the Middle East, the Persian Gulf and Southeast Asia. The 1954 military assistance agreement between the United States and Pakistan was perceived by India’s leaders as the beginning of “building up” allied Pakistan and “building down” India;
- (3) The challenge by China to Nehru’s ideas of cultural influence and potential dominance of Southeast Asia and the Indian Ocean region with historical claims of its own, which drew from the widest extent of its traditional tributary system as well as recently conquered territories. Historically, the Chinese sphere overlapped with India’s perceived areas of cultural influence in southeast Asia (northern Malaysia, Vietnam, Cambodia, Thailand), Myanmar, Bhutan, Nepal, Tibet and the whole of Kashmir. From China’s point of view, India possessed the British imperialist mentality and ambition to establish a greater Indian empire by dominating neighboring states through policies of “hegemonism.” The 1962 Sino-India border war which established Chinese control over the disputed area of Aksai Chin and humiliated India by routing its outnumbered and unprepared troops in the Northeast Frontier Area marked the beginning of an Indian military buildup aimed at confronting China on its own terms.
- (4) When both the US and China felt most vulnerable to the Soviet Union, and the Nixon-Kissinger ‘opening to China’ changed the strategic equation, India’s 1971 success in dismantling Pakistan, creating Bangladesh and aligning with the Soviet Union was interpreted in Beijing as a strategy to encircle China and by the Nixon Administration as a policy to also attack in the West and cripple Pakistan. China responded with assistance to Pakistan, including transfer of designs for a tested nuclear device that was critical in

³ *The India-China Relationship: What the United States Need to Know*. co-editor with Harry Harding. New York: Columbia University Press and Washington, D.C.: Woodrow Wilson Center Press, 2004. Introduction.

Islamabad's clandestine development of nuclear weapons by 1989, and with shipments of missile delivery systems or their components. The "all-weather friendship" between China and Pakistan, maintained until the present, is a major factor in the persisting lack of trust characterizing India's attitude toward China, even though other aspects of the relationship have significantly improved.

Since the 1990's, India's governments have grappled with what role in world affairs the country could play after the Cold War. Attempts accelerated to end the hyphenated 'regional' category of India-Pakistan, break out of the "South Asia box" and improve relations with its neighbors. In the mid-1990s, India adopted a "look East policy" that attempted to restore its influence in Southeast Asia. The 10 ASEAN states + India agreed to hold annual summit meetings in 2002 and in 2003 signed an Indian-ASEAN Free Trade Agreement that India hopes will establish an "arc of stability and prosperity through an Asian Economic Community as a counterpoise to the arc of instability to our west." Prime Minister Manmohan Singh, in November 2004, proposed to hold a workshop to evolve a concept paper on an Asian Economic Community including India, ASEAN, Japan, China and Korea.⁴ The South Asian Free Trade Area Accord (SAFTA) has been less successful because of the continuing hostility between India and Pakistan, although India has free trade agreements with Sri Lanka, Nepal and Bhutan.

From the late 1990's, the "mood" in India grew to improve relations with the United States as the dominant world power, interrupted by India's May 1998 nuclear tests, sanctions imposed by the US, and then lifted in November 2001.

The emergence of India as a de facto nuclear weapons state greatly enhanced the confidence of policy-makers who desired India to play a bigger role in world affairs. This confidence was buttressed by rising annual growth rates of six percent annually from the mid-1980's, sustained after the 1991 economic reforms. Even more decisive, over the past 5 to 6 years, the dramatic performance of India's services sectors, IT/ITES/BPO, and more recently, plans to develop pharmaceuticals and biotechnology, as well as the global competitiveness of some of India's restructured, and also new manufacturing companies (in auto components, specialist chemicals and potentially in textiles and electronics), have provided a critical psychological boost. It would be difficult to overestimate the psychological liberation that has flowed from international recognition of India's technological prowess, and the globally competitive industries of "India, Inc." As the chief financial officer of a major Indian IT multi-national put it, Success in the global marketplace has more than economic significance. It asserts India's position as an equal, not only the equality of India with the west, but the equality of the 'brown' person with the 'white'. "When I represent I.T. as an Indian, I am an equal: color doesn't matter".

A more confident India has been willing to engage the United States on equal terms, and to insist on this equality in bilateral relations. When during this same period, the US and India perceived a convergence of security interests, communications became much more direct and productive, especially in finding common ground on major issues concerning the rise of Islamic fundamentalism, non-proliferation (India is a status quo power, wanting to limit the number of nuclear weapons states to the five "recognized" under the NPT, and India, Pakistan and Israel), and the rapid rise of China. The decision to delink U.S. policy toward Pakistan and India first

⁴ 'Looking East: Manmohan Singh at 3rd India-ASEAN Summit, India Review, January 1, 2005, p. 7

taken during President Clinton's visit to India at the end of his second term, was finally implemented in March 2005, when Secretary of State Rice offered New Delhi a package of policies that deserves the often misused term of strategic partnership to "help India become a major world power in the twenty first century."⁵ "The Defense Framework" signed by India's Minister of Defense and the US Secretary of Defense on June 28, 2005 charted a ten year course that put new mechanisms in place to oversee defense sales and prospects for co-production and technology cooperation.⁶ How intertwined key policies of the two countries could become emerges from the Indo-U.S. Joint Statement at the end of Prime Minister Manmohan Singh's visit to Washington on July 18, 2005.⁷ The headline making news in both capitals was that the US would work with Congress to adjust the 1978 law restricting trade and commercial transactions in civil nuclear energy, space and dual use technology with non-signatory states of the Nuclear Nonproliferation Treaty to "enable full civil nuclear energy cooperation and trade with India." Major proponents of the Joint Statement, like Ashley Tellis argue that a partnership between India and the US is vital for the success of US geopolitical objectives, and that the Bush Administration's decision to accommodate India on the issue of nuclear cooperation, provide access to space-related and dual use high technology is desirable because it would speed up India's pace of economic transformation and growth, strengthen India's geopolitical importance, enlist its enthusiasm for counter-proliferation efforts in the Indian Ocean, and "buttress its potential utility as a hedge against a rising China (and) encourage it to pursue economic and strategic policies aligned with U.S. interests."⁸

Hedging Against the Rise of China

Despite the desire on both sides to avoid the perception of closer bilateral relations as anti-China, both the U.S. and India share concerns fostered by uncertainty about whether China should be viewed as a potentially cooperative partner or a power making a bid for dominance in Asia. US formulations about the potential for U.S.-China relations have swung sharply between the Clinton Administration's goal of a 'strategic partnership,' the characterization by candidate George Bush in 2000 of China as a "strategic competitor" and the cautiously positive formula adopted by President Bush and President Jiang Zemin in October 2001 of a "cooperative" and "constructive" relationship. The US is China's biggest export market but the leverage this affords against China is limited by the massive trade deficit. As Fareed Zakaria points out⁹ over the past fifteen years China's exports to the US have grown by 1,600 percent and those of the U.S. to China, 415 percent; China supports the declining dollar as the second largest holder of

⁵ Ashley J. Tellis, "South Asian Seesaw: A New U.S. Policy on the Subcontinent," Washington D.C.: Carnegie Endowment for International Peace: Policy Brief, May 2005, <http://carnegieendowment.org/files/PB38.pdf>

⁶ "New Framework for the U.S.-India Defense Relationship, <http://newdelhi.Gov/wwwhipr062905.html>

⁷ Comprehensive bilateral ties are envisaged in combating international terrorism, developing a new U.S.-India Global Democracy Initiative, boosting trade, investment and technology, strengthening energy security, establishing cooperation in commercial space and satellite exploration and launch, and entering into full civil nuclear energy cooperation.

⁸ Ashley J. Tellis, "India as a New Global Power", An Action Agenda for the United States. Washington, D.C.: Carnegie Endowment for International Peace, 2005, p.27

⁹ Fareed Zakaria, "Does the Future Belong to China?", Newsweek, May 9, 2005

foreign exchange reserves. Washington would be hard pressed to come to Taiwan's assistance in the event of a Chinese invasion, and it relies on China to help defuse the crisis with North Korea over nuclear weapons.

India is in a much weaker position, with an economy roughly forty percent the size of that of China. Out of a total of thirteen countries around India, China has a higher share of the total external trade with ten.¹⁰ The Indian market has also been flooded with consumer goods and chemicals made in China, and India has brought some 70 anti-dumping cases against China in the WTO. India's security concerns are compounded by competition with China in a common geopolitical space. China's strategic partnership with Pakistan has been strengthened by its investment of up to \$1 billion for construction of the deep water port at Gwadar, along with feeder roads and other facilities. At the same time, the Chinese military has made deep inroads into Myanmar on its eastern border, while providing assistance for construction of a signal intelligence facility in the Great Coco Islands, contributing to a sense that China is pursuing a strategy to encircle India. China has also established the Shanghai Cooperation Organization, including Russia and the states of Central Asia, which India joined as an observer state in July 2005-along with Iran, Pakistan and Mongolia.

Yet, India's leaders believe there is no chance of India and China going to war. Their strategy is to leverage an improving relationship with the dominant superpower to accelerate its own global rise during a period when power projection is based on economic and not muscular competition. A close partnership with the United States based on technological cooperation in civilian nuclear energy, space and dual-use high technology would allow India to start closing the economic gap with China and also convince China to take India seriously. China's perception of a closer U.S.-India relationship is likely to strengthen its incentives to offer a final border settlement. Should China prove intent on establishing a dominant role, a stronger US-India relationship, the argument goes, will make China more cautious in undermining India's interests at a time when it is not ready to confront China on its own. This may be too optimistic, as both India and the U.S. assess the latest agreement between China and Pakistan¹¹ to start joint production of a new fighter aircraft for Pakistan's air force, (JF-17 "Thunder" aircraft) with supply of 150 aircraft to begin in 2007, (and 250 on order for China) which could change the strategic balance between India and Pakistan. From the U.S. perspective, already worried about China's strategy to intimidate Taiwan, in the aftermath of the anti-succession law passed in March 2005, the new fighter aircraft along with increased missile capabilities would complicate US response to an attack. Over the long term, it makes sense to argue that a close US partnership with a more powerful India can help balance China's position. Even so, an equally important assumption is that of an enduring US-Japan alliance, with a militarized Japan playing a key role. The tsunami naval quartet, US-India-Japan-Australia, is a possible alignment for the future, but still very far away.

New Delhi has too much at stake in improving its relationship with Beijing to be drawn into "robust demonstrations of support for U.S. interests." On the contrary, the mindset of Indian advocates for a natural partnership between the two countries are better described by the

¹⁰ Waheguru Pal Singh Sidhu and Jing-dong Yuan, *China and India, Cooperation or Conflict?* London: Lynne Reiner Publishers, 2003, p.47

¹¹ "Financial Times, May 10, 2005

determination not to “walk into a US trap” by becoming overtly anti-Chinese. While the Bush Administration hopes that India will seek ways to harmonize its political strategies with those of the United States to achieve common goals in a preference for “strategic coordination”,¹² the Manmohan Singh government is intent on retaining flexibility, but not equidistance. As one senior policy maker put it, we would like to see multiple poles of Japan, China, Europe, the US and India, but the “closest distance” will be between the US and India. The Indian Prime Minister has been forthright in dismissing the idea that India could ever be used as a bulwark against China. Symbolic of New Delhi’s determination to safeguard its strategic autonomy, during Wen Jiabao’s state visit to India in April 2005, the two leaders signed formal statements heralding a “strategic and cooperative relationship.”

Sino-Indian normalization of relations has proceeded by fits and starts but this process has been characterized by many of the trappings that have signaled improved relations between India and the United States; for example, summit meetings between heads of state and government, regular exchange of visits between high-ranking military and civilian officials, agreements to establish direct links for commercial airlines and telecommunications, cooperation in science, technology and space, and bilateral cultural exchanges. The 1993 “Agreement on the Maintenance of Peace and Tranquility” to resolve the border dispute by negotiations followed by the 1996 “Agreement on Confidence Building Measures” for significant troop withdrawals along the Line of Actual Control (LAC) was followed, finally, in 2001, at the thirteenth meeting of the China-India Joint Working Group (JWG) by an exchange of maps of the middle sector of the LAC; and in June 2002 by an exchange of maps of the western sector.

Despite a spate of Articles following Chinese Premier Wen Jiabao’s visit to India hyping closer economic ties between China and India as the world’s “office” and China as the world’s “factory, there is virtually no chance that the two countries will agree to create a free trade area. Nevertheless, some projections that India-China trade could overtake U.S.-India trade by 2008, rests on the growth of complementarities between the two economies. Indian IT companies have started to invest in China and to access Chinese engineering graduates to expand the talent pool from which to build computer services and outsourcing processes, while using China as a gateway to Japan, the second largest IT market after the United States. Chinese corporate leaders are also entering the Indian market to hire software specialists and learn how to improve their own technology industry.

The rise of China is a general framing architecture in the discussion of security related issues, but the US and India have converging interests across a broad spectrum. Leading members of India’s strategic community are less suspicious than ever before of US motives behind its policies in the region, recognizing that India is needed as a “stabilizer in this region” as the world’s largest democracy “situated next to China, next to Pakistan-Afghanistan, West Asia and Central Asia.”¹³ In practice, Washington and New Delhi coordinate policy toward India’s neighbors, Nepal and Sri Lanka in ways that shore up India’s position in the region, preventing a power vacuum from developing which can be filled by China or internal

¹² Ashley J. Tellis, *India as a New Global Power*, op.cit., 51

¹³ K. Subrahmanyam, “Hidden Strings and Free Lunches”, *The Indian Express*, May 18, 2005

forces unfavorable to India. The cooperation with respect to Nepal in order to stem the Marxist tide and move toward constitutional government has been particularly close. India has also accommodated the U.S. For example, when the US response to the tsunami disaster was too slow, New Delhi helped Washington create an image of involvement in relief efforts by the military-political decision to work with the US in a “core naval group”—US-India-Japan-Australia.

Convergence of interests extends in differing degree to various other areas:

Interests also overlap in Afghanistan. The U.S. fight against the Taliban set back Islamic fundamentalism and contributed to India’s strategic objective of a nationally consolidated Afghanistan. India is engaged in training skilled workers and by the end of 2005 will have given \$500,000,000 in aid. The role of the U.S. is considered crucial: it has 70,000- 80,000 troops in Afghanistan and is contributing \$2 billion in aid annually. Pakistan is trying to regain its influence in Afghanistan where there is a lack of skilled Afghans in almost all walks of life and most workers are Pakistanis. The question therefore is whether the U.S. will extend its rationale for support of Pakistan in routing out terrorists to side with Pakistani demands and pressure India to hold back from projecting its influence into Afghanistan. The worst case for India is that the U.S. will withdraw its troops and make a clean exit after elections.

There is no contradiction between the interests of the U.S. and India in Southeast Asia; or with the unstated notion that India should be a balancer in the region against China. Indian policy makers believe that ASEAN welcomes closer relations with India for this purpose and that they want more than one country to have influence.

The U.S. and India have had differences on the Iraq war, but now that events cannot be undone, Indian policymakers believe the costs of U.S. failure in Iraq would outweigh India’s interest in US success. India approved of the Iraqi elections, however imperfect, as better than no elections. Moreover, India looks forward to a Shi’a dominated regime in Iraq. India has the second largest population of Shi’a in any country with a major Muslim community and India does not want to see Sunnis, dominant in Pakistan, capture power. In the event the US fails in Iraq, the general sentiment in the Gulf is liable to become very fundamentalist, which is not in India’s interest. India is dependent on imports for 70 percent of its oil supplies, mainly from the Gulf.

The biggest issue of divergence has been Iran. India’s negotiations with Pakistan and with Iran for a pipeline to deliver natural gas from Iran to India are reasonably well advanced, and opposition from the United States is considered to be interference with India’s autonomy in foreign relations, as well as disregard for its security and energy needs. The U.S., convinced Iran is developing nuclear weapons, supports an alternative more problematic pipeline route avoiding Iran, from Turkmenistan, Afghanistan, Pakistan, to India.

At the most general level, India accepts that the U.S. is an Asian power and will continue to play the most important role in the foreseeable future in Northeast Asia and Southeast Asia, and that this presence is to India’s advantage for a number of reasons, those already mentioned and others. Sea control is a very important economic and strategic issue. Both India and China have ambitious plans to build up naval power in this and coming decades and India believes projection

of military power will be the same as projection of naval power. As in other areas, China is surging ahead. India believes it demonstrated to the US during the coordination of the tsunami relief effort that it is the most effective naval partner in the Indian Ocean and the Gulf. Trade and investment flows are also crucial. The US remains India's single largest trading partner (although it is likely China will overtake the US in the next year or two); and the US is the most likely source of FII and FDI for India's advanced technology sectors.

Nevertheless, it would be a mistake to underestimate the resentment that remains of US policies toward Pakistan, especially Washington's lavish patronage of President Musharraf and his military government in the name of fighting the war on terror when Pakistan has been the home base of Al Qaeda and the patron of cross-border terrorism against Kashmir, as well as the source of clandestine sales and diffusion of nuclear technology and fissile materials. So far, Pakistan has received a three billion dollar economic and military assistance package, designation of Pakistan as a non-NATO military ally, and in March 2005, approval of the sale of F-16's, put on hold for fifteen years, which can be upgraded and used to deliver nuclear weapons. US sensitivities toward Pakistan are also considered excessive in Afghanistan and potentially harmful to India's security interests. For the time being, this resentment has been pushed just below the surface of Indian public policy in the aftermath of the July 18, 2005 Joint Statement. But even before this package offer, India recognized that the US war on terror served its own vital interests by pressuring Pakistan to cut back on support for jihadist groups, including cross-border terrorism in Kashmir. More recently, there has been apparent progress on the India-Pakistan composite dialogue started in January 2004, and especially the meeting in New Delhi (April 18, 2005). This ended with a joint statement by Musharraf and Manmohan Singh asserting that the peace process is now "irreversible." For the first time, the two governments endorsed the idea that India and Pakistan will move toward a soft border in Kashmir through CBM's that will increase travel (bus service), trade (by trucks), and pilgrimages across the Line of Control. Musharraf outlined options for a "final settlement" of the Kashmir issue, a term used by New Delhi for the first time since 1971, significant because it recognizes there is an "issue" which should be settled by both countries.¹⁴ Sensitivities about the magnitude of US support for Pakistan should lessen if CBM's actually are implemented on the ground and a negotiated solution on Jammu and Kashmir eventually appears within reach.

Impact of Proposed Civil Nuclear Agreement

Cooperation in civilian nuclear energy and space between the United States and India has been interpreted as defacto recognition of India as a nuclear power. This is the interpretation placed on it by Indian policy makers who seek to harness the Bush Administration's unorthodoxies or unilateralism, to advance India's long-standing interests in transfer of dual-use technologies, and its current urgent needs for imported nuclear fuel and reactors to generate power as a prerequisite for pushing up and sustaining high growth levels. Many believe the Bush Administration does not care about the NPT and consider it a "silly little treaty", and this is not only the Indian government's conclusion. Some senior U.S. officials clearly believe that the NPT and its five NWS's cannot be resurrected, and the US needs to face reality. Pakistan, India, Israel are NWS's, others may become nuclear weapons state, and therefore it is necessary to search for a new framework; one which does not sacrifice US economic interests—namely the opportunity

¹⁴ "Musharraf in India", India Today International, May 2, 2005, p. 17

offered by the Indian market for sales of defense equipment and advanced technology , which will only grow in the future.

In India, despite dissenting voices, the most dramatic change from the past is the wide spectrum of support. Currently, the ballast is provided by those who believe that what the US has put on offer needs to be explored in India's own interest. The most enthusiastic liken the package of policies approved in the Joint Statement as analogous to the US opening to China, perceived as the first step toward China's rise as a global power.

The basic premise of India's foreign policy, and of the prospect that India can become a balancer in Asia is that India's economy will grow over the next decade and beyond at 8 percent per annum and start closing the gap with China. From India's perspective, the impact of the proposed cooperation in civil nuclear energy, space and advanced industrial and agricultural technologies will assure rapid growth and secure India's future as a major global power. The goal for India is not an alliance against China, but an opportunity, with U.S. assistance, to sustain 8 percent economic growth over one or two decades so that India can solve its poverty and unemployment problems and be truly independent. Meanwhile, India will have to take into account U.S. interests in its foreign policy decisions, but it would probably be unrealistic to expect a "willingness to ally itself with American purposes." More likely, is a partnership that will naturally grow out of high levels of trust and close cooperation.